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COMMISSIONER'S OFFICE

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www.nmstatelands.org

Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

July 14, 2016

TEMA Oil & Gas
16200 Park Row, Suite 300
Houston, TX 77084-5108

Attn: Mr. Robert Lee

Case # 6824

Re: Termination Notice
Talco Unit Agreement
Lea County, New Mexico

Dear Mr. Lee:

Our records reflect that Tema Oil & Gas Company is operating the Talco Unit area, Lea County, New Mexico.

Our records reflect the following:

- The Talco Unit Agreement was approved effective April 29, 1980.
- The date of last production from this unit was April 2016.
- Article 23 Effective Date and Term states the following: "the term of this agreement shall be for and during the time that unitized substances are produced in paying quantities from the Unit Area and so long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, unless sooner terminated by working interest owners in the manner hereinafter provided."

In view of the above, pursuant to Article 23 of the Talco Unit Agreement, please be advised that the Commissioner of Public Lands has this date terminated the Talco Unit agreement effective June 27, 2016.

Please notify all interested parties of this action.

If you have any questions, or if we may be of further help, please contact Sue Keelin at (505) 827-5783.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/sk

cc: Reader File,
NMOCD Attention: Mr. Daniel Sanchez
TRD-Attention: Ms. Billie Luther
RMD-Attn: Mr. Danny Martinez

UNIT NAME: Talco Unit
OPERATOR: Tema Oil & Gas
COUNTY: Lea

TERMINATED

<u>DATE</u> <u>APPROVED</u>	<u>OCD CASE NO.</u> <u>OCD ORDER NO.</u>	<u>TOTAL</u> <u>ACREAGE</u>	<u>STATE</u>	<u>FEDERAL</u>	<u>INDIAN</u> <u>FEE</u>	<u>SEGREGATION</u> <u>CLAUSE</u>	<u>TERM</u>
<u>EFFECTIVE</u> 7/14/2016		1,280.00	320	960	0	STRICT	5 YEARS SO LONG AS

APPROVALS
BLM -06/27/2016

TOWNSHIP 26 SOUTH, RANGE 35 EAST

SECTION 11: ALL
SECTION 12: W/2
SECTION 02 S/2

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OCD